

**House File 87 - Introduced**

HOUSE FILE 87  
BY SORENSEN

**A BILL FOR**

1 An Act relating to governmental subdivision loans for disaster  
2 aid.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 29C.20, subsection 1, paragraph a,  
2 subparagraph (6), subparagraph division (b), Code 2023, is  
3 amended to read as follows:

4 (b) Upon application by a governmental subdivision in  
5 such an area, accompanied by a showing of obligations and  
6 expenditures necessitated by an actual or potential disaster  
7 in a form and with further information the executive council  
8 requires, the aid may be made in the discretion of the  
9 executive council and, if made, shall be in the nature of a  
10 loan up to a limit of seventy-five percent of the showing of  
11 obligations and expenditures. The loan, without interest,  
12 shall be repaid by the maximum annual emergency levy authorized  
13 by [section 24.6](#), or by the appropriate levy authorized for a  
14 governmental subdivision not covered by [section 24.6](#). However,  
15 the executive council, for good cause shown, may forgive  
16 repayment of a loan in an amount not to exceed one million  
17 dollars. The aggregate total of loans shall not exceed ~~one~~  
18 five million dollars during a fiscal year. A loan shall not be  
19 for an obligation or expenditure occurring more than two years  
20 previous to the application.

21 EXPLANATION

22 The inclusion of this explanation does not constitute agreement with  
23 the explanation's substance by the members of the general assembly.

24 This bill concerns loans to a governmental subdivision  
25 for disaster aid from the contingent fund under Code section  
26 29C.20. The bill increases the maximum allowable loan to a  
27 governmental subdivision for disaster aid from \$1 million to  
28 \$5 million and authorizes the executive council to forgive the  
29 repayment of a loan in an amount up to \$1 million for good cause  
30 shown.